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NEW SOUTH WALES.

DIGEST OF BUSINESS STATISTICS.

MONTHLY REVIEW.

4th June, 1940.

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NOTE TO RECIPIENTS.

As from this issue a Digest of Business Statistics will replace "Weekly Notes on Business Statistics".

The Digest of Business Statistics will be issued as follows:-

- A (1) Monthly Review - about 5th of month.
- B (2) Interim Statistics - about 15th of month.
- C (3) " " - about 25th of month.

NEW SOUTH WALES (AUSTRALIA)

MONTHLY DIGEST OF BUSINESS STATISTICS

JUNE, 1940.

GENERAL. On May 22, 1940 the Commonwealth Government announced plans to intensify and expand Australia's war effort.

There was little interference with actual war industries by the coal stoppage (March 11 to May 17) and renewed expansion is in train. This will be promoted by extension of productive equipment, the appointment of a prominent industrial expert as Director of Munitions Supply, and possible formation of trade unions advisory panels. Construction of a battleship graving dock in Sydney at a cost of approx. £A3 million is to be undertaken immediately.

FINANCE. The financial structure of Australia has been strengthened greatly as a result of the bountiful season of 1939-40 and improved export prices under contracts with the British Government, supplemented by investment and exchange control and a policy of ample and cheap money. Bank resources are highly liquid and credit stringency has disappeared.

INTEREST RATES. Interest rates have fallen. Yields on Government securities have declined 14s. per cent. since Sept., 1939. Interest yielded by bonds of five or more years maturity rose a little on Germany's western thrust but steadied subsequently. The movements were:—

Av. 1935.	Av. 1938.	Jan.-June, 1939.	Sept. 1939.	Mar., 1940.	Apr., 1940.	May, 1940.
Net interest yield (s.d. per £100 per annum).						
71 1	75 0	78 1	81 3	71 9	67 5	66 9

In line with this movement the second reduction this year of $\frac{1}{4}\%$ in banks' fixed deposit rates was made on May 28, 1940. These are now as low as at any time for many years.

FIXED DEPOSIT RATES. (Per cent. per annum.)

Term	Oct. 11, 1934.	March 23, 1936.	Jan. 24, 1940.	May 28, 1940.
3 months	1 $\frac{1}{2}$	2	1 $\frac{3}{4}$	1 $\frac{1}{2}$
6 "	2	2 $\frac{1}{2}$	2 $\frac{1}{4}$	2
24 "	2 $\frac{1}{2}$	3	2 $\frac{3}{4}$	2 $\frac{1}{2}$

From July 1, 1940 trading banks will revise overdraft rates to reduce by $\frac{1}{4}\%$ those carrying rates in excess of 5 $\frac{1}{4}\%$. Prevalent rates are mostly from 5 $\frac{1}{2}\%$ to 6%. The Commonwealth Bank will reduce its overdraft rate to rural, municipal and semi-governmental debtors by $\frac{1}{4}\%$ from July 1, 1940. The Bank's rate of discount on Treasury Bills was reduced from 1 $\frac{3}{4}\%$ to 1 $\frac{1}{2}\%$ as from May 1, 1940.

Mortgage interest rates also have eased a little. In Feb-Apr., 1940 the weighted average rates were 5.2% for rural and 5.7% for urban first mortgages. These rates are approximately $\frac{1}{2}\%$ higher than in 1935.

SAVINGS BANKS. Deposits in savings banks in New South Wales increased by £297,000 in April, 1940 and £834,000 in the year ended April, 1940. The total is now £87,056,000.

WAR LOAN. The first Commonwealth all-War Loan of £20 million at 2 $\frac{3}{4}\%$ for 5 years or 3 $\frac{1}{4}\%$ for 10-16 years was launched auspiciously on May 29, 1940. War savings certificates to the face value of £1,019,000 were sold in Australia up to May 28, 1940 including £338,000 in New South Wales.

BUDGETS. Commonwealth revenue remains buoyant but State finances have been affected by the coal dispute and the budgeted deficit of £1.5 m. for 1939-40 is likely to be exceeded. Sinking fund payments for this financial year will amount to £2.39 m.

New South Wales Government.

	Ten Months ended April 30.				
	1936.	1937.	1938.	1939.	1940.
Revenue (£ million)	41.42	42.98	46.23	45.64	49.01
Expenditure "	42.87	43.59	47.43	48.64	52.33

STOCK EXCHANGE. Ordinary shares have declined in value on the Sydney Stock Exchange in recent weeks, after steadyng earlier in May. This followed trends in London and New York and was a reaction to war developments. Present values are the lowest of the war period.

VALUE OF ORDINARY COMPANY SHARES (Ex Banks), SYDNEY.

Mar., 1937.	Apr., 1939.	Aug., 1939.	Mar., 1940.	Apr., 1940.	May, 1940.
Index Numbers (par value = 100).					
190	171	174	174	173	170

TRADE AND COMMERCE. Inter-bank clearings in Sydney during the four months January to April were 17.2% greater in amount this year than in 1939. For the three months ended April the index number (1926-30 = 100) was 111 and highest ever recorded. The high level is partly due to rapid payment for and the higher price of wool, payment of wheat advances and war expenditure. But trading and industrial activity has increased. In the first quarter of 1940 sales at wholesale in New South Wales were 5.2% above the value in March Qr., 1939; retail sales in Sydney in the same period increased by 3.2% and sales of real estate also increased a little in April, 1940, compared with a year earlier.

Bank Clearings (Sydney).		Wholesale Trade. (N.S.W.)		Retail Trade (Sydney)	Real Estate. (N.S.W.)	
					Sales.	Mortgages.
Amount.	Amount.	March.	March Qr.	March Qr.	Jan.- April.	Jan.- April.
£ million.	£ million			Index No. 1931=100.	£ million.	£ million.
37	80.6	311.9	15.43	43.81	126	11.33
38	75.7	301.4	15.78	45.71	134	11.72
39	70.7	293.2	15.78	45.56	140	10.76
40	84.3	343.6	16.97	47.94	144	9.26
						6.15

EMPLOYMENT. The number of persons employed in N.S.W. in April, 1940 (852,131) was 14,400 greater than in April, 1939 but 13,560 less than in March, 1940. The latter decrease was wholly in private employment and an effect of the coal stoppage. It interrupted the progressive increase of the war months, when increases in the number of persons employed compared with the corresponding months of 1938-39 were:-

	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Thousands (-)	2.1	12.6	15.5	15.8	31.0	25.8	31.6	14.4

Most industries gave greater employment than in April, 1939 but there were decreases in mining, building and contracting, road transport and shipping and amusements. Particulars are:-

EMPLOYMENT IN NEW SOUTH WALES. (a)

Group.	Person Employed in middle week of -					Increase in Year ended April.	
	Apr., 1937.	Apr., 1938.	Apr., 1939.	Mar., 1940.	Apr., 1940.	1939.	1940.
1 Employment private "	000	000	000	000	000	%	%
1 Factories	788.9	835.8	837.7	865.7	852.1	0.2	1.7
1 Factories	646.9	686.6	685.6	712.3	698.1	- 0.1	1.9
irms with Ten or more Employees -	213.1	227.9	229.2	241.3	235.3	0.6	2.7
Mines	18.6	21.3	21.5	21.0	20.7	0.9	- 3.7
Retail Trade	49.2	51.2	51.4	52.1	51.4	0.4	-
Wholesale Trade	24.5	25.6	25.8	26.0	25.9	0.8	0.4
Offices & Commerce	25.2	26.2	27.2	29.3	29.0	3.8	6.6
Ship'g. & Rd. Transp.	21.2	20.4	22.2	22.2	21.4	8.8	- 3.6
Personal Services (b)	27.5	29.5	30.4	30.9	30.4	3.1	-
Other Industries	20.1	20.9	19.5	18.3	18.2	- 6.7	- 6.7

(a) Excluding relief workers and men in the Armed Forces not on civil pay sheets, and in Apr., 1940 including approx. 14,000 colliery employees idle owing to an industrial dispute.

(b) Professional, Hospitals, Religion, Amusements, Hotels, etc.
(-) Denotes decrease.

UNEMPLOYMENT. The proportion of unemployment rose from 5.1% in March to 6.7% in April, 1940 and was slightly greater than in April, 1939 (6.5%).

MANUFACTURING INDUSTRIES. The number of persons employed in factories is shown in the preceding table. Heavy industries were quickly affected by the coal stoppage but stocks of materials carried most of the lighter industries over the strike period. A decline in employment in March-April in food and drink factories was a seasonal movement and in woodworking etc. reflected reduced building activity. In most industries employment was greater than in April, 1939 and with replenishment of coal supplies is likely soon to surpass previous peak levels. Trends in factory employment are:-

EMPLOYMENT IN FACTORIES WITH TEN OR MORE EMPLOYEES. N.S.W.

Item	Lime, Cement etc.	Bricks Glass, etc.	Chemical etc.	Industrial metals.	Textile & Cloth-ing.	Food and Drink	Wood-Working etc.	Paper and Printing.	Rubber.
Number of Persons Employed - Thousands.									
, 1935	1.57	5.88	5.25	42.62	30.80	23.07	7.74	11.84	2.63
1939	2.85	8.80	7.21	61.56	37.27	28.78	10.14	14.74	3.66
, "	2.85	8.66	7.24	61.78	36.96	27.96	9.89	14.81	3.68
, 1940	2.75	9.24	8.55	66.30	39.61	31.05	9.95	15.15	4.13
, "	2.64	9.11	8.54	63.52	39.30	29.97	9.82	15.11	4.04

Sales in 42 large factories in March and March Quarter were 4.6% and 11.2% respectively greater in value in 1940 than in 1939.

SALES FROM 42 LARGE FACTORIES, N.S.W.

	1936.	1937.	1938.	1939.	1940.
March (£million)	2.84	3.15	3.57	3.41	3.56
March Qr. "	8.12	8.62	9.49	9.21	10.24

/Iron

Iron and steel production was virtually suspended early in April, 1940. Rationing of gas and electricity for industrial purposes was avoided and the index of consumption of these in April, 1940 was higher than ever before. With the collieries idle the movement of coal almost ceased.

		Period.	1937.	1938.	1939.	1940.
<u>Iron and Steel, N.S.W.</u>						
Output - Pig Iron	Index No.,	March	199	207	230	221
- Ingot Steel	1928-29 = 100.	"	254	262	268	279
<u>Gas and Electricity (Sydney)</u>						
Index of Consumption	1929-31 = 100	April	119	119	125	137
<u>Coal, N.S.W.</u>						
Hauled by Rail	000 tons	March	1697	1865	2101	1319
Shipped beyond N.S.W.	"	Qr.	719	828	893	603

TRANSPORT. In the nine months ended March, 1940 the working surplus of the railways was a record for the period and tram and bus services were more profitable than in 1938-39. This resulted, for the railways, from increased goods traffic and an increase of 10% in fares and most freight rates in March, 1939; for the trams and buses from an increase in passengers, and for both services, from working economics. Services were curtailed to conserve coal stocks and this, and the direct loss of coal freight, adversely affected operating results in April and May.

The falling-off in new motor sales, hastened by the war, has continued, and the number of registered motor vehicles has decreased by 5,751 since Aug., 1939. Increased motor taxation, certification of road-worthiness before re-registration, higher prices of petrol (up 9d. gal. since Jan., 1939) oils, tyres, etc. and enlistments are factors in the decreases.

Government Railways. N.S.W.			Govt. Trams and Buses, Sydney and Newcastle.		Motor Vehicles (a)		
Passen- gers.	Goods Ton Mileage.	Working Surplus, (b)	Passen- gers.	Working Surplus. (b)	New Motor Sales.	On Register.	
						Cars	Lorries and Vans.
July-March.			July-March.			April	
Millions	Millions	£000	Millions	£000	No. per week.	000	000
132.2	1,351	4,570	Not available.		614	188	64
140.4	1,453	4,907	275.7	587	660	203	72
141.2	1,369	3,745	279.0	500	523	215	76
134.3	1,517	5,097	283.3	558	357	214	76

(a) Excluding cycles. (b) Excess of earnings over working expenses, before meeting interest, etc. charges.

BUILDING INDUSTRY. There is still a good deal of private building activity and considerable public building is proceeding, particularly for military purposes. In April, 1940 building permits in Sydney and suburbs (£1,041,000) were greater in value than in April, 1939 (£932,000). But recent monthly totals have been irregular and in aggregate were below those of one and two years earlier.

/PROPOSED.....

PROPOSED BUILDING OPERATIONS - SYDNEY AND SUBURBS.

	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	Total - Nov.-Apr.
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	Value in Thousands of Pounds.						
1937-38	1,129	1,153	905	899	1,303	1,256	6,645
1938-39	1,325	937	864	999	993	932	6,050
1939-40	797	602	699	755	870	1,041	4,764

The following statement provides a comparison of values for each principal type of building proposed in the first four months of this and last year:-

PRIVATE BUILDING PERMITS GRANTED - SYDNEY AND SUBURBS.
Excludes Government buildings.

	Houses.		Hotels.	Shops (b)	Factor- ies. (c)	Offices, Theatres, etc.	Total.
	Brick.	Wood etc.	Flats. (a)				
an. April, 1939	£000	£000	£000	£000	£000	£000	£000
1939	1359	284	791	212	170	533	3787
1940	1463	318	563	218	128	288	3365
Movement %	+7.7	+12.0	-28.8	+2.8	-24.7	-46.0	-11.1

Includes (a) conversions to flats, (b) shops with dwellings,
(c) public garages.

Particulars for March quarter, 1940 show that throughout the State private building activity has decreased.

VALUE OF BUILDING PERMITS GRANTED - NEW SOUTH WALES.
Government buildings are excluded.

Quarter	City of Sydney.	Suburbs of Sydney.	129 Country Towns.	Seven Shires.	Total of Foregoing.
	£000	£000	£000	£000	£000
March, 1937	199	1751	1010	119	3,079
" 1938	667	2439	1461	250	4,817
" 1939	427	2429	1166	232	4,254
Dec., 1939	440	2163	902	280	3,786
March, 1940	225	2099	922	265	3,511

BUILDING SOCIETIES. The formation of new co-operative building societies is practically at a standstill owing to inability to arrange new finance. Approval of the investment control authorities is required, but the official attitude in this regard has not been defined. Over 75 per cent. of members of existing societies have had loans approved and the influence of the societies on housebuilding activity has declined.

CO-OPERATIVE TERMINATING BUILDING SOCIETIES - NEW SOUTH WALES.

osition s at:-	Members.	Shares Allotted.	Advances Approved. ⚠		Advances Made. ⚠	
			Number.	Amount.	Number.	Amount.
	No.	No.		£000		£000
an.15, 1938	10,129	116,089	3,192	1,984	1,799	996
ar.31, 1939	18,618	232,202	11,124	7,828	9,572	6,535
ec.31, 1939	19,253	248,869	13,962	10,050	13,007	9,149
ar.31, 1940.	19,362	250,841	14,542	10,507	13,784	9,761

⚠ From June, 1939 exclusive of loans repaid.

/RURAL

RURAL INDUSTRIES. In April, 1940 rainfall was above average over most of the State. There were good falls early in May and though rain is again needed in certain parts the seasonal outlook is mostly favourable.

Wheat has been sown under good conditions and early sowings have germinated well.

Sheep and dairy pastures are generally satisfactory; there was a heavy autumn lambing and another big wool clip is in sight.

Because of the dry summer butter production is now at a low level barely sufficient for local requirements. However, factory output of butter for the nine months ended March was 90.5 million lb. in 1939-40, compared with 83.8 m. lb. in 1938-39 and 94.9 m.lb. in 1937-38.

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THE WORLD WHEAT SITUATION.

SUMMARY: Accumulated world stocks of wheat increased in 1939-40. Wheat-growing has increased and import demand has contracted in recent years. Exportable surpluses are greater than at any previous time. Germany's invasions deprive world trade of important markets. Germany may find difficulty in obtaining wheat requirements in 1940-41.

Northern Hemisphere crops have improved but harvest prospects appear barely average.

World shipments are less than a year ago and likely to decrease. Oversea prices have returned near to pre-war low levels. Local prices are unchanged. Flour exports from N.S.W. exceeded £1 m. in value in Dec.-Apr., 1939-40.

at

1939-40. World wheat production in 1939-40 was 7.2 per cent. below the record of 1938-39 and there was a decrease in acreage under wheat of 8 per cent. but the world harvest of 1939-40 was the second largest on record and considerably greater than world requirements. Statistical comparisons make it very clear that "the equilibrium between supply and demand for wheat continues to fall away." This is well illustrated by index numbers which show that in 1939-40 compared with averages for the five years ended 1927-28 there were increases in area (13.3%) and production (20.2%) of wheat, while import demand for wheat contracted by 22.6 per cent. The increase in world consumption of 15.4 per cent. compared with 1923-27 is probably inflated by inclusion of security stocks, not used, but stored in important countries.

WORLD PRODUCTION, TRADE AND STOCKS OF WHEAT. (Excluding Russia, China, Iran and Iraq.)

Season ended ly.	Acre- age.	Yield per acre.	Pro- duction.	Export- able. Supplies.x	Import- Require- ments.x	End-of- season surplus.x	World Consump- tion.
Index Numbers; Average 1923-27 = 100.							
1928-32	111	100	111	134	98	292	110
1933-37	114	93	104	88	69	167	109
1938-39	121	108	130	118	79	289	116
1939-40	113	106	120	138	77	396	115
	Acres.	Bus.	Bus.	Bus.	Bus.	Bus.	Bus.
	mill.	mill.	mill.	mill.	mill.	mill.	mill.
1938-39	290	15.6	4,508	1,138	618	520	3,993
1939-40	272	15.3	4,185	1,324	610	714	3,969

x. In exporting countries.

acreage. The decline in acreage in 1939-40 was due mainly to reduced sowing in the United States and Argentina. Since pre-depression years, wheat growing has extended about 10 per cent. in importing countries and about 15 per cent. in exporting countries (mainly North America and the minor exporting countries).

WORLD AREA SOWN TO WHEAT.
(Excluding Russia, China, Iran and Iraq.)

Season ended July	Exporting Countries.						Importing Countries		
	United States.	Can- ada.	Argen- tina.	Aust- ralia.	Other.	Total.	Eur- ope.	Other.	Total.
Million acres.									
Av. 1923-27	62	22	19	11	67	181	47	12	59
" 1928-32	67	26	20	16	75	204	49	14	63
" 1933-37	71	25	18	13	80	207	52	14	66
1938-39	80	26	21	14	84	225	50	15	65
1939-40	64	27	18	13	85	207	50	15	65

Production. Wheat failed badly in Argentina in 1939-40, otherwise production was average in India and the United States and well above average in other exporting countries. In importing countries poor crops in Spain, France and Holland were offset by exceptionally large crops in extra-European importing countries (Syria, Japan, Egypt, etc.)

It is significant of the fundamental change in the marketing situation of wheat that importing countries are producing some 300 million bushels more wheat than in 1923-27. In 1939-40 Europe absorbed 72.7 per cent. of world exports of wheat, compared with 78 per cent. in the five years ended 1927-28.

WORLD PRODUCTION OF WHEAT.
(Excluding Russia, China, Iran and Iraq.)

	Exporting Countries.			Importing Countries.			The World.	
	Bus. (mill.)	Index No.x	% of total.	Bus. (mill.)	Index No.x	% of Total.	Bus. (mill.)	Index No.x
Av. 1923-27	2390	100	69	1090	100	31	3480	100
" 1928-32	2630	110	68	1230	113	32	3860	111
" 1933-37	2270	95	62	1370	125	38	3640	104
1938-39	3009	126	66	1499	137	34	4508	129
1939-40	2792	117	67	1393	128	33	4185	120

x. Average, 1923-27 = 100.

Imports. The Institute's forecast of world import requirements of 610 million bushels in 1939-40 was put forward with reservations. World exports in the first half of the year were about 320 million bushels. This was proportionately above the estimate, probably due to efforts to build up stocks quickly early in the season against the contingency, and then the fact, of war. The occupation by Germany, and therefore the virtual disappearance of certain importing countries from world trade may mean a substantial contraction of wheat shipments in the last quarter of 1939-40 as well as curtailment subsequently. Net imports of wheat in these countries were:-

NET IMPORTS OF WHEAT - DENMARK, NORWAY, HOLLAND AND BELGIUM. /

	Av. 1927-32.	Av. 1932-37.	1937-38.	1938-39.	August-January 1938-39.	1939-40.
	Millions of bushels.					
Denmark	13.0	11.8	6.5	5.0	3.2	2.4
Norway	8.0	8.5	6.5	8.5	4.3	8.1
Holland	31.6	22.4	24.2	30.1	14.9	13.8
Belgium	44.2	40.1	37.1	37.7	16.0x	19.2x
Total	96.8	82.8	74.3	81.3	38.4	43.5

/ Including Luxemburg. x. Aug.-Dec.

/World

World
production
prospects,
940-41.

The carry-over of exportable surpluses of old crop wheat into 1940-41 will considerably exceed the average annual import requirements of recent years, but there is particular interest in this year's harvests as they affect potential wheat supplies of the belligerents, in addition to their effect on the supply situation generally.

German
supplies. Even under the most favourable conditions the territory now occupied by Germany is very far from being self-sufficient in wheat. Net imports exceeded 120m. bus. in 1937-38. From outside, Germany may look to obtain wheat from Lithuania, Danubian and Balkan countries and Russia. Lithuanian exports are never heavy; in 1932-37 the average was less than a million bushels.

A few weeks ago Broomhall said "there is every reason for thinking that the combined crop in the Balkans and Hungary may be the smallest for some years." This opinion is supported by restrictions placed on the export of wheat from some of these countries.

Reports show that Russian winter wheat was sown under unfavourable conditions in important areas and was frost damaged. Spring sowings were retarded and to April 25 were said to be 63 m.acres compared with 76.5 m. acres at the same date of 1939. Russia exported practically no wheat this season, and seems unlikely to have an exportable surplus next year.

General. Most Northern Hemisphere crops will be harvested during the next two to four months. Production can be greatly affected by the weather during that period. The outlook has improved over the past month but the aggregate yield seems likely to be below rather than above average. Information available respecting crops in some important wheat-growing countries is summarised as follows:-

United States. Winter wheat forecast 459.7 m.b. (Av. 1933-37, 497.1 m.b.) Spring wheat improving. Good prospects on Pacific Coast.

Canada. Area increased about 10%. Good rains in May but subsoil moisture deficient over much of wheat belt. Sowing late.

Europe. Crops improving owing to warmer weather.

India. 398.5 m.b. (1933-37, 356.2 m.b.)

China, Japan, Manchukuo. Production may be 5-10% above 1939.

North Africa. Increased area sown under good conditions.

Argentina. Increase in acreage encouraged. Good sowing conditions.

Australia. Rain needed except in N.S.W. and Victoria.

Wheat
in Australia. The Australian Wheat Board disclosed that up to the end of May 114 m. bus. of 1939-40 wheat had been sold. Allowing for local requirements before next harvest, approx. 58 m. bus. remained for disposal abroad. The Board revealed that 23 m. bus. have been shipped from Australia. Sales of $7\frac{1}{2}$ mil. bus. were made during May but since the slump in prices no important sales have been reported. It is understood that payment for 28 m. bus. of the British purchase will be made on July 15, 1940.

According to trade reports substantial quantities were sold to Greece and South Africa in May. Trade sources indicate that some Australian wheat is being transported via Panama.

The Wheat Board has intimated that only new bags may be used for delivery of bagged wheat of next harvest.

World
Trade. Particulars of wheat shipments are incomplete. The following figures (Economist 4.5.40) show that the movement of wheat from exporting countries other than South America was below that of last season:-

WORLD SHIPMENTS OF WHEAT AND FLOUR.

From Aug 1 to	North America.	Argentina & Uruguay.	Aust- ralia.x	Russia.	Danube and Other Count- District.	Total ries.
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	Millions of bushels.						
Apr. 29, 1939	180.6	66.9	61.0	35.9	60.4	12.5	417.3
Apr. 27, 1940	158.7	125.7	44.5	.9	43.8	2.8	376.4

x. Trade returns to March 31.

Provided the Allies' blockade is effectively maintained Germany's latest invasions deprive world trade of important outlets for wheat (see table of net imports). Opposed to this France has been obliged to augment reserves because of the influx of refugees. Canadian stocks at 31st March, 1940 were 372 m. bus. Because 60 per cent. Manitoba types is required in millers' grists the United Kingdom is consuming about 2.4 m. bus of Canadian wheat a week. Assisted by lower freight rates, good sales of Canadian and Argentine wheat were made early in May to Portugal, Spain, Belgium and Holland. It is reported that the United Kingdom is now obliged to find storage for wheat arriving in European waters for the recently occupied countries.

PRICES. The invasion of the Low Countries brought a slump in wheat prices that wiped out practically the whole of the increase of the war period. So drastic was the fall that, at the request of the Secretary for Agriculture, the United States Board of Trade pegged as minima the futures quotations of May 18, 1940. Chicago and Winnipeg quotations have since fluctuated a few cents above that level but show no sign of a major recovery. The course of futures quotations was:-

NORTH AMERICAN WHEAT FUTURES - JULY OPTIONS. 1939-40.

	Sept. 1	Dec. 1.	Jan. 2	Feb. 1	Mar. 30	Apr. 20.	May 10.	May 18.	May 31.
cents per bushel.									
Chicago	74 $\frac{1}{8}$ x	86 $\frac{1}{2}$	104 $\frac{3}{8}$	93 $\frac{3}{8}$	103 $\frac{7}{8}$	109 $\frac{7}{8}$	108 $\frac{5}{8}$	79	81 $\frac{1}{2}$
Winnipeg	68 $\frac{1}{2}$ x	81 $\frac{7}{8}$	91 $\frac{1}{2}$	94 $\frac{7}{8}$	90 $\frac{3}{8}$	92 $\frac{7}{8}$	91 $\frac{7}{8}$	70 $\frac{1}{4}$	74 $\frac{1}{4}$

x. May options.

Parcels on the London Baltic Exchange are practically unchanged for Australian (due to the large contract) but prices of other wheat partly reflect the fall in the futures markets.

Notwithstanding the fall in oversea prices the fixed prices of the Australian Wheat Board remain unchanged. These are, per bushel, f.o.r., Australian port, 4s.3d. for bagged wheat for export and 4s. for bulk wheat for flour for local trade and small export orders.

The local market has been very quiet. Some flour for export was sold early in May but no recent significant orders for flour or wheat have been reported.

Quotations of bulk wheat in Sydney in May 1940 were 1s.5d. per bushel or 55 per cent. higher than in May, 1939.

/PRICES.....

PRICES OF BULK WHEAT - SYDNEY.

Monthly Averages - Per bushel, ex trucks, Sydney. ⁶

Excluding bounty and including silo storage charges when payable.

	Season ended Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1933-34	2 9	2 7	2 6	2 5	2 6	2 6	2 7
1936-37	5 3	5 4	5 2	5 10 $\frac{1}{2}$	5 4 $\frac{1}{2}$	5 5	5 4
1937-38	4 0	4 6	4 6	4 6	4 2	4 0 $\frac{1}{2}$	3 11
1938-39	2 5	2 6	2 6	2 6	2 4	2 5	2 7
1939-40	-	3 5	3 9 $\frac{1}{2}$	3 9 $\frac{1}{2}$	3 9 $\frac{1}{2}$	3 11	4 0

⁶ Shippers' offers ex trucks, Sydney, to 1938-39; Australian Wheat Board's price for wheat for local consumption and small export orders, f.o.r., Sydney from December, 1939.

Growers have been paid a first advance equivalent for bulk wheat to approx. 2s.1d. (net) a bushel at country sidings. A further substantial payment is likely if the remaining exportable surplus is sold satisfactorily.

Flour. Some flour mills were obliged to curtail operations during May when rail transport of wheat was suspended owing to the coal strike. Prices of flour for local consumption were unchanged at £12 10s. a ton during May, including the flour tax of £1. 15s. 5d. a ton.

Exports of flour from New South Wales (direct oversea) in the five months ended April 30, 1940 were approximately 4 per cent. less in volume but in value were 41 per cent. higher than in Dec.-Apr., 1938-39 and highest for the period of recent years.

EXPORTS OF FLOUR OVERSEA (DIRECT) FROM NEW SOUTH WALES.

	Five Months ended 30th April.				
	1936.	1937.	1938.	1939.	1940.
Flour Exported tons	82,448	89,026	92,611	121,978	116,618
" " Value £000	642	962	874	713	1,006